

EXHIBIT 2

Budget Neutrality Computation

Without Waiver

	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2004-08
Eligibles (a)	174,556	189,925	198,191	212,144	227,018	242,623	
Per Capita (b)	\$ 117.40	\$ 125.86	\$ 134.92	\$ 144.63	\$ 155.05	\$ 166.21	
Expenditures - Total	\$ 245,924,601	\$ 286,842,277	\$ 320,878,825	\$ 368,197,877	\$ 422,383,348	\$ 483,918,632	\$ 1,644,226,928
Federal Share	\$ 122,962,301	\$ 143,421,139	\$ 160,439,413	\$ 184,098,939	\$ 211,191,674	\$ 241,959,316	\$ 822,113,466

With Waiver

	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2004-08
Eligibles (c)	167,127	170,932	178,372	190,929	204,316	218,360	
Per Capita (b)	\$ 117.40	\$ 125.86	\$ 134.92	\$ 144.63	\$ 155.05	\$ 166.21	
Expenditures - Total	\$ 235,458,442	\$ 258,158,050	\$ 288,790,943	\$ 331,378,089	\$ 380,145,013	\$ 435,526,769	\$ 1,493,930,537
Premium Revenue (d)	\$ (14,765,093)	\$ (24,706,235)	\$ (25,781,611)	\$ (27,596,598)	\$ (29,531,555)	\$ (31,561,428)	\$ (122,381,092)
Expenditures - Net	\$ 220,693,349	\$ 233,451,815	\$ 263,009,332	\$ 303,781,491	\$ 350,613,458	\$ 403,965,341	\$ 1,371,549,445
Federal Share	\$ 110,346,675	\$ 116,725,908	\$ 131,504,666	\$ 151,890,746	\$ 175,306,729	\$ 201,982,671	\$ 685,774,724

Difference

	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2004-08
Eligibles	(7,429)	(18,992)	(19,819)	(21,214)	(22,702)	(24,262)	
Expenditures - Total	\$ (25,231,252)	\$ (53,390,462)	\$ (57,869,493)	\$ (64,416,386)	\$ (71,769,890)	\$ (79,953,291)	\$ (272,677,483)
Federal Share	\$ (12,615,626)	\$ (26,695,231)	\$ (28,934,747)	\$ (32,208,193)	\$ (35,884,945)	\$ (39,976,645)	\$ (136,338,742)

- (a) From Premium Computations, column F
- (b) From Table 1C - Per Capita Trend
- (c) From Premium Computations, column G
- (d) From Premium Computations, columns R + V